

AUG 3 - 2006

Attorney Docket No.: 47004.000115  
Application No. 09/985,900REMARKS

Claims 1-47 are pending in the application. By this Amendment, claims 1, 21, 25-27, 31-34 and 41 are amended.

Reconsideration and allowance in view of the foregoing amendments and following remarks are respectfully requested. No new matter has been added by this Amendment. In particular, support for the amendments to claims 1, 21 and 41 may be found in the application on pages 18-21, for example.

A. The Terminal Disclaimer

The Office Action indicates that the terminal disclaimer filed on 14 November 2005 disclaiming the terminal portion of any patent granted on this application, which would extend beyond the expiration date of Application No. 10/175,031 has been reviewed and is accepted, and that the terminal disclaimer has been recorded.

Applicant notes the acceptance of the terminal disclaimer.

B. The 35 U.S.C. §103 Rejection Based on Dent and Kight

In the Office Action, claims 1-19, 21-39, 41, 43 and 45-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dent et al. (hereinafter Dent) U.S. Patent 6,128,603 in view of Kight et al. (hereinafter Kight) U.S. Publication 2002/0062282. This rejection is respectfully traversed.

The Office Action, regarding independent claim 1 (as well as claims 21 and 41), asserts that Dent teaches a system for managing transactions comprising a first interface for communicating first information regarding at least one payment source (column 7, lines 3-25); and a second interface for communicating second information regarding at least one payee account (column 7, lines 26-33 and column 7, lines 56 thru column 8, line 2 and Figure 4 and

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Figure 5)

The Office Action also asserts Dent teaches a processor, communicating with the first interface and the second interface, the processor selectably recommending a transmission of funds from the at least one payment source to the at least one payee account based on an optimization determination (column 5, line 53 thru column 6, line 8 and Figure 2 and column 9, lines 27-31 and column 10, lines 1-14). In the rejection, the Office Action further asserts Dent teaches that the optimization provides a recommendation to the customer to manage cash flows.

The Office Action reflects that Dent fails to teach that the processing selectably determines the payment mechanism and the processor effecting the transmission of funds using the payment mechanism. The Action relies on Kight to address this asserted deficiency.

Specifically, the Office Action asserts that Kight teaches a risk based payment method and system in which the software is designed to make several decisions relating to particular transactions for customers (page 4, paragraph 0030). The Office Action concludes that it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the cash flow teachings of Dent and include the teachings of Kight because it allows the system of Dent to automatically perform the recommendation with the cash flow analysis of Kight and therefore maximizes the efficiency of bill payment for a customer while minimizing risk.

Dent is directed to a system and method for managing and paying electronic billing statements. In the Abstract, Dent teaches a consumer-based bill management and payment system is configured to receive, analyze, manage and pay electronic billing statements received from the biller over the Internet. The system includes a notification manager that detects when the electronic bill arrives and notifies the consumer. The bill is stored in memory with other

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unpaid electronic bills. Dent teaches the system has a cashflow analyzer that enables the consumer to coordinate the unpaid electronic bills according to different payment schedules for a bill payment cycle (e.g., a month). The goal of the manipulation is to permit the consumer to analyze how the different payment schedules affect the consumer's cashflow with an aim toward minimizing overdraft during the bill payment cycle.

In column 6, lines 1-8 (as referenced in the Office Action), Dent teaches a cashflow analyzer 54 enables the consumer to manage payment of the electronic bills based upon how payment impacts the consumer's cashflow, such as whether paying the bills will result in an unwanted overdraft condition. Further, the described payment analyzer 56 enables the consumer to critically view the bill, assess whether the items are appropriate for payment, and to determine ultimately how much of the electronic bill to pay.

The Office Action also refers to Dent's teachings in column 9, lines 26-38. Therein, Dent teaches a consumer can activate the "best fit" button 100 to allow the cashflow analyzer to optimize a payment schedule. As one example implementation of this aspect, the cashflow analyzer is programmed to perform various steps. Step 1 includes setting all unpaid bills to their due date. If this payment schedule results in a positive balance, then the cashflow analyzer considers the payment schedule optimized, and the process stops. If this payment schedule results in a negative balance, the process continues to the next step.

Further, the Office Action references column 10, lines 1-14. Therein, Dent teaches the procedure could be extended to complicated cases where the negative balance decreases over several bill due dates before the next payment deposit date. Dent describes that additionally, the cashflow analyzer could determine what a loan for a few days would cost at prevailing rates to cover the negative balance and compare that loan cost to the penalty costs. Other alternative

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financing options could be suggested to the consumer--such as charging certain bill amounts due to a credit card if the biller permits use of this payment instrument.

In column 10, lines 15-17, Dent teaches that after the consumer has analyzed the unpaid bills and decided on a payment schedule, the consumer can pay specific bills as prescribed by the schedule. When paying a bill, the consumer displays the bill on the display and analyzes the individual bill using the payment analyzer 56. Accordingly, Dent teaches that the consumer is deciding on the payment schedule, and paying specific bills. Such is different than the invention of claim 1, as acknowledged in the Office Action. That is the Office Action attempts to cure the deficiencies of Dent using the teachings of Kight.

Applicant submits that Kight fails to cure the deficiencies of Dent so as to fairly suggest the claimed invention under 35 U.S.C. §103.

The various features of claim 1 are set forth above. Claim 1 is directed to a system for managing a transmission of funds using an optimization determination. In particular, claim 1 recites a processor, communicating with the first interface and the second interface, the processor selectably directing the transmission of funds from the at least one payment source to the at least one payee account based on an optimization determination that is performed by the processor, the optimization determination determining a payment mechanism to use to transfer the funds from the at least one payment source to the at least one payee account, wherein the at least one payment source is determined prior to performing the optimization determination.

Claim 1 further recites wherein the processor (1) determines from a set of payment mechanisms a reduced set of payment mechanisms, the reduced set being a set of possible payment mechanisms that could effect the transmission of funds; and (2) after determining the reduced set of possible payment mechanisms, the processor performs the optimization

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determination. Claim 1 also recites the processor effecting the transfer of funds using the determined payment mechanism.

Applicant submits that the applied art fails to teach the optimization determination as recited in claim 1, nor does the Office Action appear to assert that such optimization determination is taught by the applied art.

To explain, the Office Action asserts that Dent fails to teach that the processing selectably determines the payment mechanism and the processor effecting the transmission of funds using the payment mechanism. The Office Action proposes to cure this deficiency with the teachings of Kight. That is, the Office Action asserts that Kight teaches a risk based payment method and system in which the software is designed to make several decisions relating to particular transactions for customers (page 4, paragraph 0030); and that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the cash flow teachings of Dent and include the teachings of Kight.

Thus, Dent is being modified by the "software ... designed to make several decisions" of Kight. However, claim 1 recites various particulars relating to an optimization determination, and the selection of a payment mechanism using such optimization determination. Thus, claim 1 recites much more than a general decisioning process, as reflected in the statements in the Office Action. Applicant requests the Examiner clarify the particular teachings of Kight that are relied upon in the Office Action, and how such allegedly teach the particulars of the claimed invention.

However, in order to expedite prosecution of the present application, claim 1 is amended by the present amendment to further distinguish over the applied art to Dent and Kight. Specifically, claim 1 is amended to recite: the processor (1) determines from a set of payment mechanisms a reduced set of payment mechanisms, the reduced set being a set of possible

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payment mechanisms that could effect the transmission of funds; and (2) after determining the reduced set of possible payment mechanisms, the processor performs the optimization determination. Such recitation reflects the level of sophistication of the present invention.

Kight fails to teach or suggest such features. As described in the Abstract, Kight teaches a computerized payment system by which a consumer may instruct a service provider by telephone, computer terminal, or other telecommunications means to pay various bills without the consumer having to write a check for each bill. The service provider collects consumers' information, financial institutions' information and merchant information and arranges payment based on a financial risk analysis to the merchants according to the consumers' instructions.

As referenced in the Office Action, in paragraph [0030], Kight teaches the Kight software is designed in part to make several decisions relating to particular transactions for consumers. In particular, Applicant notes that in paragraph [0032], Kight describes an example in which any transaction that is less than \$50.01 is automatically sent as an ACH debit to the consumer's account. Kight teaches this means that the service provider uses ACH to electronically transfer funds from the consumer's account to the service provider's clearing account.

Further, Applicant notes Kight's teachings in paragraph [0023]. Therein, Kight teaches the service provider may pay merchants by a draft or check (paper) or by electronic funds transfer. After the consumer's payment instructions are received an analysis is performed to determine the most cost effective and least risk mode of payment for the service provider to use. One preferred mode of payment is electronic funds transfer through the Federal Reserve Automated Clearing House (ACH) Network 47. If the service provider is not a bank, a bank intermediary may be needed to be connected to the Federal Reserve Network. Another payment mode is a charge to the consumer's credit card through the RPS Network 49. In paragraph

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[0035], Kight describes using an ACH debit, and using a paper draft directly drawn on the user's account.

Further, in paragraph [0025], Kight teaches the method of payment to the merchant may be either paper (draft or check) or electronic. Kight teaches there are several factors in the process used to determine if a payment will be released as a paper item, or an ACH electronic transaction (automated clearing house; service provider is a party to transaction). Each consumer may be assigned a status such as: active=good; inactive=bad; and, pending=uncertain, risky. Kight teaches that if a consumer's status is pending 60, when reviewing the payment file with the processing calendar 58, the payment should go out as a draft paper to protect the service provider.

However, Kight fails to teach the particulars of claim 1, and thus cannot cure the deficiencies of Dent. Specifically, claim 1 recites features including the processor (1) determines from a set of payment mechanisms a reduced set of payment mechanisms, the reduced set being a set of possible payment mechanisms that could effect the transmission of funds; and (2) after determining the reduced set of possible payment mechanisms, the processor performs the optimization determination. Kight fails to set forth such a process and particulars thereof.

Applicant respectfully submits that Dent, either alone or in combination with Kight, fails to teach or suggest each and every feature as recited in claim 1. It is respectfully submitted that claim 1 is allowable at least for the reasons set forth above. Further, independent claims 21 and 41 recite patentable subject matter at least for reasons similar to those set forth above with respect to claim 1.

The dependent claims recite patentable subject matter based on their dependencies on the respective independent claims, as well as for the additional features such dependent claims

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recite.

Withdrawal of the 35 U.S.C. §103 rejection is respectfully requested.

C. The 35 U.S.C. §103 Rejection Based on Dent and Kight and Boesch

In the Office Action, claims 20 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dent et al. (hereinafter Dent) U.S. Patent 6,128,603 in view of Kight et al. (hereinafter Kight) U.S. Publication 2002/0062282 in further view of Boesch et al. (hereinafter Boesch) U.S. Patent 6,205,433. This rejection is traversed.

The Office Action asserts that regarding claims 20 and 40, Dent and Kight fail to teach that the transmission comprises a currency conversion, and that Boesch teaches that the customer computer is programmed to choose the currency conversion method that optimizes the transaction without reducing the options available to the customer user (column 11, lines 37-62). The Office Action concludes that it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Dent and include the optimization teachings of Boesch because it provides a way to minimize cost and optimize cash flows without limiting the user's transaction options.

Boesch is directed to a system and method for multi-currency transactions, and in particular, a system and method for determining approval of a multi-currency transaction between a customer and a merchant over a network. In the referenced column 11, lines 32-36, Boesch teaches an aspect of the Boesch invention can include an optimization feature. The optimization feature is preferably executed by customer computer 200 to determine whether it is advantageous for customer user 203 to pay in one customer currency over another.

Boesch further reflects a customer user 203 may have access to amounts in a plurality of customer currencies. For example, a customer user 203 may have accounts containing amounts



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in U.S. dollars, French francs, and Japanese yen. Customer user 203 can purchase products using amounts from any of these accounts.

Applicant acknowledges that Boesch teaches optimization regarding selection of currency. Boesch teaches that customer computer 200 determines the agreed price in the merchant accepted currency corresponding to the amount in each of the plurality of customer currencies. For example, assume merchant user 303 will receive a price in currency C for the product and customer user 203 has two customer currencies A and B available to pay merchant user 303. Customer computer 200 determines amounts in currencies A and B which equate to the product price in currency C. These amounts may be compared by converting them to a reference currency of the customer computer 200's choice. Boesch teaches that customer user 203 can choose (or customer computer 200 can be programmed to choose) to pay the agreed price in the currency (A or B) which corresponds to the lesser amount in the reference currency. The amount in the chosen currency represents the amount in the first currency and is referred as the "selected currency." Boesch teaches that according to another variation to the optimization feature, customer computer 200 can also determine whether it is less expensive to first convert currency A into currency B, and then to convert currency B into currency C. In any case, customer user 203 pays using the optimal payment currency.

At column 11, line 63, Boesch teaches server 100 can execute an optimization feature. In this case, server 100 may include the plurality of customer currencies available to customer user 203. For example, data indicating the plurality of customer currencies may be transmitted in the first set of data from customer computer 200 to server 100 in lieu of the amount in the first currency. Server 100 determines the agreed amount in the second currency for each of the plurality of customer currencies. Server 100 then chooses an amount in one of the customer

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currencies corresponding to the amount in the merchant accepted currency which is the least when converted to the reference currency. The amount in the chosen currency represents the amount in the first currency.

Applicant submits that the above disclosure of Boesch fails to teach or suggest the features as recited in claim 1. As is clearly reflected, the above teachings of Boesch relate to what currency to utilize in effecting the transaction. As disclosed by Boesch, a customer user 203 may have access to amounts in a plurality of customer currencies. Boesch teaches for example, a customer user 203 may have accounts containing amounts in U.S. dollars, French francs, and Japanese yen; and that a customer user 203 can purchase products using amounts from any of these accounts.

However, claim 1 relates to optimization of the payment mechanism by which to transfer funds from at least one payment source to at least one payee account. That is, claim 1 of the present application recites a system for managing payment requests made by a payment request initiator. In particular, claim 1 recites the processor selectably directing the transmission of funds from the at least one payment source to the at least one payee account based on an optimization determination that is performed by the processor, the optimization determination determining a payment mechanism to use to transfer the funds from the at least one payment source to the at least one payee account, wherein the at least one payment source is determined prior to performing the optimization determination.

Applicant submits that the language of claim 1 reflects a clear distinction between the recited "payment mechanism" and the recited "one payment source". Claim 1 does not recite that the payment source is optimized. Rather, claim 1 recites the optimization is used in determining the payment mechanism, by which the funds are transferred.

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However, in conjunction with the features recited in claim 1, the "payment source" may also be selected in some suitable manner. For example, the payment source (which may be in any of a variety of forms) may be determined from a second optimization determination and/or may be selected by the payment request initiator in some suitable manner. Such features are set forth in claims 72-74, and are supported in the application on page 6, line 17 to page 9, line 14, for example.

Accordingly, Applicant respectfully submits that even if it were obvious to somehow modify the teachings of Dent with Boesch, which it is not so admitted, such combination would still fail to cure the deficiencies of Boesch and Kight as described above.

D. The 35 U.S.C. §103 Rejection Based on Dent and Kight and Cunningham

In the Office Action, claims 42 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dent et al. (hereinafter Dent) U.S. Patent 6,128,603 in view of Kight et al. (hereinafter Kight) U.S. Publication 2002/0062282 in further view of Cunningham et al. U.S. Patent 6,029,139. The Office Action asserts that Dent and Kight fail to teach optimization for volume discounts and contractual minimums, but that Cunningham teaches an optimization for promotions, which include quantifiable inputs such as volume, price, or profit goals.

The Office Action concludes that it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Dent and Kight to include the teachings of Cunningham because it provides for maximizing efficiency in transactions by optimizing the variables in the transaction.

Cunningham is directed to a system for optimizing the promotional sale of a product, a product segment, or a category which may take into account related products or competing products comprising means for generating a three-dimensional data structure corresponding to

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the sales history for a product, the data structure dimensions corresponding to an event type domain, a time domain, and a unit of measurement domain, means for populating the three-dimensional data structure, a neural network, means for training the neural network and means for applying sales objectives and constraints to the neural network.

The Office Action provides no specific reference to particular teachings of Cunningham. In column 5, Cunningham teaches aspects of a disclosed optimization process. Cunningham teaches a user will begin the optimization process by specifying information about the account, the product role in the account, and the promotional strategy. This information is entered on the personal computer client 110. For example, the user may want to create a promotional plan that maximizes the volume of a product sold for a given promotional budget.

Cunningham further describes the optimization component 140 may use a technique called "linear optimization". Linear optimization is a formal search strategy for selecting the best promotions at the least cost. The "best" promotions are based upon quantifiable inputs given by the user, such as volume, price, or profit goals. Alternatively, the linear optimization routine may be used to minimize cost while keeping a particular desired level of sales or volume.

In short, Cunningham indeed discusses the well known concept of volume and manipulation thereof. However, Cunningham is not seen to teach manipulation of "volume discounts", nor does the Office Action even appear to allege such teaching. Thus, even if Cunningham were combined with Dent in some manner, which it is not admitted to be obvious, such combination would fail to teach or suggest the features of claim 42.

In a similar manner, Applicant submits that the applied art fails to teach or suggest the features of claim 44. Indeed, the Office Action does not even allege that Cunningham provides teaching of the recited bonus awards.

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The proposed combination of the applied art fully fails to cure the deficiencies of Dent and Kight as described above.

E. Conclusion

For at least the reasons outlined above, Applicant respectfully asserts that the application is in condition for allowance. Favorable reconsideration and allowance of the claims are respectfully solicited.

It is believed that no fee is due in connection with this filing. However, if it is determined otherwise, the Commissioner is hereby authorized to charge our Deposit Account No. 50-0206.

Respectfully submitted,

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